



OLC 76-0291

2 February 1976

[Handwritten signature]

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Inquiry from Representative Bella Abzug
re Airlie House

1. We are in touch with the Office of Security and Central Cover, among others, in preparing a response to specific questions raised in Representative Bella Abzug's (D., N.Y.) letter concerning possible Agency involvement with Airlie House. Preliminary indications are that CIA has never financially supported Airlie House nor have we been in any way managerially or otherwise associated with it, except to the extent that Agency employees have, on occasion, attended conferences at Airlie House on various subjects. It is my understanding that Airlie is widely used by the Civil Service Commission for various retreats and seminars and conferences covering a wide range of topics. I also understand that Airlie is now associated with, if not owned by, George Washington University and has some connection with the medical department at GWU.

2. It is interesting that the question of Federal support or subsidy of Airlie is being raised again, for as some of the attached documents indicate, similar inquiries were raised in 1967. I am attaching a copy of the statement made on the floor of the House by then Representative Melvin Laird regarding Government connections, specifically including alleged CIA connections with this facility.



[Handwritten signature]
George L. Cary
Legislative Counsel

Attachment

BELLA S. ABZUG, N.Y., CHAIRMAN
LEO J. RYAN, CALIF.
JOHN CONYERS, JR., MICH.
ROBERT H. MACDONALD, MASS.
JOHN E. MOSS, CALIF.
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STEEGER, ARIZ.
CLARENCE J. BROWN, OHIO
PAUL H. MCCLOSKEY, JR., CALIF.
225-3741

NINETY-FOURTH CONGRESS
Congress of the United States

House of Representatives

GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS
SUBCOMMITTEE

OF THE

COMMITTEE ON GOVERNMENT OPERATIONS

RAYBURN HOUSE OFFICE BUILDING, ROOM B-349-B-C
WASHINGTON, D.C. 20515

January 27, 1976

Executive Registry

76-6502

Hgt

Mr. William E. Colby
Director
Central Intelligence Agency
Washington, D.C.

Dear Mr. Colby:

This subcommittee, which has jurisdiction over government information matters generally, is considering the degree to which and the manner in which government agencies (by contract or otherwise) receive information from certain private entities. Accordingly, we would appreciate your providing us with the following information:

1) The nature and extent of the relationship or contacts of the Central Intelligence Agency (or any other element of the United States intelligence community) with Airlie Foundation or Airlie House Conference Center, each of Warrenton, Virginia, or with any of their officers, personnel, activities or programs.

2) Whether the CIA or any of its personnel has had any contacts with, or been present at the Airlie House Conference Center or its activities, or has had contacts with its officers or personnel. If so, state who was present on each and every such occasion, the date and time the activity occurred, the nature of the activity and the nature of any contact or communication.

3) Whether any CIA funds have been used, directly or indirectly, by or for Airlie House Conference Center, Airlie Foundation, or any of their officers or employees or by any persons attending their conferences, either in the United States or elsewhere, including Latin America. If so, state what funds have been so expended and the specific purpose or purposes for which they were expended.

4) Whether the CIA, directly or indirectly, through the Agency for International Development, any other government agency, or otherwise, has made any comments, suggestions or recommendations regarding the

Mr. William E. Colby
January 23, 1976

Page 2

activities or programs of Airlie Foundation or Airlie House Conference Center, their officers, or their personnel. If so, state what comments, suggestions or recommendations were made, by whom they were made, how and to whom they were transmitted, and what responses were received to them.

5) Whether the CIA has obtained any information at any time regarding what was said, transpired or took place at the Airlie House Conference Center or at any other place or activity sponsored by such Conference Center or by the Airlie Foundation, including but not limited to places and activities in or concerning Latin America pursuant to contracts with the Agency for International Development. If so, supply such information and state how it was obtained, the reason it was obtained, and all uses to which it was put.

Please supply the subcommittee with all documents relevant to the above matters. We would appreciate receiving your reply and such documents within ten days.

Sincerely,

A handwritten signature in cursive script, reading "Bella S. Abzug".

BELLA S. ABZUG
Chairwoman

Airlie Privately Financed, Study of Records Shows

Airlie House, one of the nation's best known conference centers, is supported solely by private sources, a study of its corporate books indicates.

Airlie trustees have made available their financial and tax records to refute a charge that the center is secretly financed by the Pentagon, State Department, and Central Intelligence Agency.

The records studied by The Star contain no evidence that Airlie House has received covert funds. They also show that Airlie House was operating at a deficit from 1960, its first full year of operation, until the past three years when small annual surpluses were recorded. In addition, there is no indication of "dummy" foundation financing of the type which led to disclosures of secret CIA ties with other organizations earlier this year.

Airlie House, located on a 1,200-acre estate in Warrenton, Va., west of Washington, has been the center of hundreds of conferences sponsored by a wide number of influential private and public groups. Some of the nation's leading scientists and scholars, as well as prominent figures from Congress and the White House, have attended the private meetings there.

Mortimer Caplin, the commissioner of the Internal Revenue Service during the Kennedy administration and the current president of the board of trustees of the Airlie Foundation, described the struggles Airlie House encountered while rising to a position "second to none" among similar private conference centers in the nation.

"It's been a very long and difficult road that has been followed," he said. "The record of the financial support of Airlie House has been open to the public from the beginning and I can state categorically that there has been no covert financing of the Airlie Foundation."

"I believe that Airlie House is making a major contribution to the intellectual and scientific progress of our nation, and it is an effort that has been made possible by the generous support of Dr. and Mrs. Murdock Head and other private individuals."

"Airlie has moved along from the preliminary meetings in 1960 right up to the fully-booked program that it has today. This has been no easy task. Groups that have attended the conferences at

A Statement on Airlie

The editors of The Star, having examined the records of the Airlie Foundation, are persuaded that this institution is privately financed. The foundation has demonstrated conclusively to them that it is not, as charged last week, secretly supported by the Central Intelligence Agency or other government agencies. There is no evidence that any member of the foundation's staff or board of trustees is connected with the CIA.

The Star retracts contrary implications in its articles on Airlie of September 14 and 15, and regrets embarrassment caused the foundation, its executive director, trustees and members of their families.

Airlie have paid only the minimal costs, and they have come to Airlie relying heavily on the credibility of the center which has been established over the years."

Caplin, who now practices law in the District, serves without pay as president of the Airlie Foundation, a nonprofit corporation. Dr. Murdock Head is the founder and director of Airlie House.

The charge of secret governmental support for Airlie was made last Thursday by William Higgs, a civil rights activist and supporter of radical causes. Most recently, he has worked with Julius Hobson in the successful court challenge to de facto segregation in the District. A lawyer by profession, he has been disbarred in Mississippi, and is not a member of the District bar. He has been working to gain enough petitions in Washington, Maryland, and Virginia to place the name of Dick Gregory, the Negro comedian, on the ballots as a third party candidate for president in next year's election.

Called Press Conference

Higgs called a press conference at his house, 618 D St. NE, and issued a 16-page, typewritten statement detailing his account of what he claimed were covert governmental ties to Airlie House. He would not say specifically what prompted his four-month personal investigation of Airlie. But when questioned about his motives, he indicated he was concerned about CIA involvement in domestic affairs.

His statement catalogued a number of specific allegations against the Airlie operation. These were immediately and flatly denied by Dr. Head, who said in a statement then:

"As the executive director of this foundation I can categorically state that the alleged support by the CIA can only be attributed to an overly fertile imagination, or for some reason unknown to us a deliberate attempt to falsify the facts."

The charge — and the denials — were carried in the last edition of The Star Thursday and the first three editions of Friday.

Subsequently, the Airlie trustees met with editors of The Star to provide point-by-point rebuttals of the allegations. They made available copies of Airlie Foundation's 1966 federal income tax returns as well as a financial report of the foundation dated Dec. 31, 1966, and prepared by Curran & Company, a certified public accounting firm in New York City.

5 Points Listed

In detailing what they said were specific errors in Higgs' account, the Airlie trustees made these points:

1. Higgs claimed that an investigation of Mrs. Head's parents, Lillian and Robert Gibson, showed they had few assets. He said a credit report showed Gibson worked as a washing machine salesman and his wife was employed by a beauty parlor. In fact, the Gibsons are not Mrs. Head's parents. Mr. Gibson, a retired Army major, is Dr. Head's stepfather and Mrs. Gibson is his mother. Mrs. Gibson is a retired Louisville (Ky.) businesswoman who owned, among other things, three beauty salons.

2. Higgs asserted that "an elaborate system of electronic bugging" equipment had been installed in Airlie's main conference building and was capable of secretly monitoring the conversations of conference participants. In fact, the trustees stated, Airlie House includes facilities for taping and recording conference sessions—but only if the conference director wishes to use them and so requests. Recording are made at the expense of the conferees. There are no "bugging" devices. And, since Airlie does have conferences where classified information is discussed, "obvious precautions are taken to preclude monitoring."

3. Higgs alleged that Airlie House maintained a large medical clinic and had two physicians specializing in plastic surgery on its staff. In fact, the trustees said, both statements are false. Originally, Airlie House did have a small outpatient clinic to serve conference

participants, but it ceased operation four years ago. There never have been any plastic surgeons on the staff there.

4. Higgs implied that CIA ties to Airlie were demonstrated by the fact that one of the foundation directors once worked for that agency. He identified Joseph J. Sisco, Dr. Head's brother-in-law, and presently assistant secretary of state for international organization affairs, as "a former CIA employee." But, the trustees said, Higgs neglected to say that Sisco worked only six months for CIA in 1950.

5. Higgs concluded that what he claimed was a failure to find any source of substantial income for Airlie, and the foundation's "extensive ties with former intelligence officers and federal employees," convinced him of secret government links. The foundation records clearly disprove any such conclusion.

Income From Fees

The 1966 income tax returns, for instance, show the principal source of income—\$448,893.81—came from standard conference fees. The next largest source of income, \$73,630.67, were from television and film production receipts.

Only a total of \$42,665 was listed as income received from gifts and contributions from other sources, and a large part of those gifts came personally from Dr. and Mrs. Head. The other contributors were from individuals and organizations known to be free of customary CIA conduit channels.

In addition, the company's records show a number of notes due and owing to Dr. and Mrs. Head.

Operations Described

Besides Caplin, the following are listed as officers and members of the board of trustees: Edwin L. Bain, treasurer; Dr. Brian Blades, Gen. Lemuel C. Shepherd, J. Henry Berne, secretary; Newton Minow, Joseph J. Sisco, Jane G. Head and Edward L. Katzenbach Jr. Berne is the only member to

receive any financial remuneration—\$3,000 a year.

In the tax return filed with the U.S. government, the foundation describes its operation and itself in these words:

"Airlie Foundation, a nonstock corporation, was originated primarily to promote an understanding and appreciation of the interrelationships which exist in the physical and social sciences, and to disseminate basic factual material relating to these sciences. In the pursuit of these objectives, in 1966, its main activity was the operation of a

conference center for educational, scientific, and governmental organizations involved in fields local, national and international. A secondary operation was the production and distribution of motion picture films in education, the sciences, and the arts. These films were produced for governmental and professional organizations, as well as for the general public through the medium of television. In these activities, Airlie Foundation has worked in close cooperation with universities, professional societies, federal agencies."

Washington Star
19 September 1967

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"It's been a very long and difficult road that has been followed," he said. "The record of the financial support of Airlie House has been open to the public from the beginning and I can state categorically that there has been no covert financing of the Airlie Foundation."

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Subsequently, the Airlie trustees met with editors of The Star to provide point-by-point rebuttals of the allegations. They made available copies of Airlie Foundation's 1966 federal income tax returns as well as a financial report of the foundation dated Dec. 31, 1966, and prepared by Curran & Company, a certified public accounting firm in New York City.

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Washington Star
·19 September 1967

MEMORANDUM FOR THE RECORD

DATE

SUBJECT

FILE NUMBER

9/1/67

Airlie Founder Denies U.S. Subsidy

The founder of Airlie House or private voluntary organizations." Higgs, 31, long associated with the civil rights movement and an active supporter of a number of radical causes, said he spent four months doing research on the subject, checking the Airlie Foundation's tax returns, land records and other documents.

"Not a single dollar of support from the CIA or any other similar organization has been offered or accepted by this institution," said Dr. Murdock Head, director of Airlie Foundation.

"I can categorically state that this alleged support by the CIA can only be attributed to an overly fertile imagination or, for some reason unknown to us, a deliberate attempt to falsify the facts," he maintained yesterday.

The CIA declined comment, but government sources denied charges leveled by William Higgs, Washington attorney, at a press conference earlier in the day.

Higgs said that "an elaborate system of electronic bugging" had been installed in Airlie's main conference building and could secretly monitor the conversations of conference participants. Head denied such use.

Found No Fund Source

Higgs contended also that the alleged government involvement with the conference center violated a White House policy approved earlier this year that no federal agency should "provide covert financial assistance or support, direct or indirect, to any of the nation's educational

foundation with former intelligence officers convinced him of the CIA-State-Defense links.

Head said, on the other hand, that Airlie "has been, from its inception, supported in the main by myself and my family."

Alliances Avoided

"We have been extremely careful to avoid alliances not only with groups of this nature, but with any organizations

which could have influence in the direction of the center."

Frequently used by the State Department and other government agencies, the center also has housed meetings in recent years of organizations including the House Republican leaders, the International Association of Chiefs of Police, the D.C. School Board, George Washington University and the NAACP Legal and Defense Fund.

Wash Star

9/15/67

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FORM 7-67 1954

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CONGRESSIONAL RECORD — HOUSE

September 18, 1967

myth. Let us recall that we are spending \$80 billion a year, 25 percent of our national budget, 500,000 troops there today, with over 13,000 killed and 90,000 casualties. And this war is just beginning. These are the facts. We look here at home and we see that we do not have enough nursing homes, we do not have enough classrooms and we cannot begin our job-training programs. We have sprawling slums that pockmark every city in the country. The list is endless of things which we have to do here which we cannot do at home partly because we are investing \$80 billion a year in Vietnam. If there is a strategic overriding reason, let us hear it. If the President is willing to come here and make the argument that it is worth holding Vietnam whatever it costs, whether it is \$40 billion, \$50 billion, or \$80 billion, and whatever the troop commitment may be, then let us recognize that fact and justify it on that basis. Certainly the South Vietnamese are not concerned enough to make an equivalent commitment. I happen to think that the justification does not exist. But my mind is open. If that case can be made, then the administration should make it. Certainly let us not continue to proceed on the basis of a faulty rationale when the facts stand out as clear as light that there is just not the wherewithal in South Vietnam and the commitment to this struggle necessary. Making this thing to a conclusion. Let us neither reconcile ourselves to being there forever or let us decide that it is time we take a new look at this commitment, and develop a new policy based on reality.

CHARGE THAT AIRLIE FOUNDATION BACKED BY CIA UNFOUNDED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. LAIRD] is recognized for 20 minutes.

Mr. LAIRD. Mr. Speaker, the charges that appeared in the Washington Evening Star last Thursday and Friday alleging that "Airlie House, the area's most prestigious conference center, is secretly supported by the Pentagon, State Department, and Central Intelligence Agency," are of direct concern to me because I have arranged for and participated in many conferences at Airlie House.

Ever since the charges appeared on Thursday, September 14, many Members of this body have contacted me concerning these allegations.

As chairman of the House Republican conference, I arranged the meeting of 57 freshmen Republican Members, the House leadership, and ranking minority members of the standing committees of the House last January at Airlie House.

I have also arranged and participated in other meetings at Airlie House.

For these reasons, Mr. Speaker, I felt obliged to look into the charges contained in the article which appeared in last Thursday's Star entitled "Airlie House Is Backed by CIA, District of Columbia Lawyer Claims."

After checking into these charges with the other Members of the House, the Central Intelligence Agency, Mr. Richard Helms,

I have concluded that they are unfounded and unsubstantiated.

As you know, Mr. Speaker, the article in question was the result of a press conference held on Thursday morning by Mr. William Higgs who was described in the article as a "Washington attorney."

The article, by Robert Walters, a Star staffwriter, stated:

Washington attorney William Higgs today charged that Airlie House, the area's most prestigious conference center, is secretly supported by the Pentagon, State Department and Central Intelligence Agency.

The charge was immediately denied by Dr. Murdock Head, founder and director of the Airlie Foundation, and by a government source. Head said that "not a single dollar of support from the CIA or any other similar organization has been offered or accepted by this institution."

Higgs told a press conference that "an elaborate system of electronic bugging" equipment has been installed in Airlie's main conference building and is capable of secretly monitoring the conversations of conference participants.

Mr. Speaker, this serious indictment of the Airlie Foundation, of its director, Dr. Murdock Head, his family, the Airlie Foundation board, the Department of Defense, the State Department, and the CIA, was found to have been made by a 31-year-old white disbarred lawyer from the State of Mississippi. Mr. Higgs is known in the Washington area as an active civil rights militant, espouser of black power, and is an unrelenting critic of the CIA. The files of every newspaper that has access to wire service information should be replete with this man's incredible record.

In the Star article it was suggested that the members of the board of Airlie Foundation who, in their own right, are all highly reputable and outstanding citizens have, because of their past affiliations with Government agencies, served as direct links to the Department of Defense and the intelligence community.

In checking out the allegations contained in this article, I found many false and unverified statements. But more important, the innuendo and general tone of the charges has unquestionably greatly damaged the reputation of this fine institution which has contributed so much to national and international affairs.

Mr. Speaker, the charges of "bugging" and monitoring of conferences are completely false, as was stated by both the Airlie Foundation and the Government agencies who responded to the Star's articles. The accusations of such menacing projects as a radio tower, a clinic for plastic surgery, and specialized electronic equipment, place a pall over the credibility of this institution, its director, its board, and those who have held conferences here. Among the groups who are listed in the Star article as having met there recently are the House Republican leaders, the International Association of Police Chiefs, the State Department, and others. As I indicated, it was at my suggestion that the House Republican leaders met at the Airlie Center and I deeply resent this libelous, false, and unprecedented attack upon the institution and its director, Dr. Murdock Head.

The damage from this kind of irresponsible and unfounded attack is incalculable. The private, scientific, academic, governmental, and business groups who have met or are scheduled to meet at Airlie in an atmosphere of guaranteed privacy may hesitate to do so again.

Furthermore, Mr. Speaker, Dr. Murdock Head's ability to contribute as an objective producer of important public affairs programming through the medical societies of this country is jeopardized along with the reputation of those outstanding scientists, political leaders, and broadcasters who have supported him in this important work.

The inaccuracies of these stories regarding Dr. Head's family and financial status alone could hamper the availability of future funding and financial support for the Airlie Center and its important projects. The CIA and Department of Defense are not the managers of governmental agencies and it is unfortunate that they should be so publicly charged and its way into public print.

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